

**Statement of Income and Expenditure
of the Japanese Red Cross Society
for the Great East Japan Earthquake and Tsunami
International Donation
from 1 April 2012 to 31 March 2013**

Independent Auditor's Report

The Japanese Red Cross Society

We have audited the accompanying special-purpose Statement of Income and Expenditure of the Japanese Red Cross Society for the Great East Japan Earthquake and Tsunami International Donation, for the period from April 1, 2012 to March 31, 2013 and a summary of significant accounting policies and other explanatory information (together the "Special-Purpose Statement"). The Special-Purpose Statement has been prepared by management of the Japanese Red Cross Society based on "Financial Rules for the Statement of Income and Expenditure of the Japanese Red Cross Society for the Great East Japan Earthquake and Tsunami International Donation" described in Note 2.

Management's Responsibility for the Special-Purpose Statement

Management is responsible for the preparation of this Special-Purpose Statement in accordance with "Financial Rules for the Statement of Income and Expenditure of the Japanese Red Cross Society for the Great East Japan Earthquake and Tsunami International Donation" described in Note 2 and for such internal control as management determines is necessary to enable the preparation of the Special-Purpose Statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this Special-Purpose Statement based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Special-Purpose Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Special-Purpose Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Special-Purpose Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the Special-Purpose Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Special-Purpose Statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Special-Purpose Statement for the period from April 1, 2012 to March 31, 2013 is prepared, in all material respects, in accordance with "Financial Rules for the Statement of Income and Expenditure of the Japanese Red Cross Society for the Great East Japan Earthquake and Tsunami International Donation" described in Note 2.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 2 to the Special-Purpose Statement, which describes the basis of accounting. The Special-Purpose Statement is prepared to provide information to the donors to comply with "Financial Rules for the Statement of Income and Expenditure of the Japanese Red Cross Society for the Great East Japan Earthquake and Tsunami International Donation" referred to above. As a result, the Special-Purpose Statement may not be suitable for another purpose. Our report is intended solely for the Japanese Red Cross Society and the donors, and should not be used by parties other than the Japanese Red Cross Society and the donors.

Ernst & Young ShinNihon LLC

June 13, 2013

The Japanese Red Cross Society
for the Great East Japan Earthquake and Tsunami International Donation
Statement of Income and Expenditure

Unit: Japanese Yen

	Note	Period from 1 April 2012 to 31 March 2013	Period from 16 March 2011 to 31 March 2012
1. INCOME			
Voluntary contributions	2.3(a) and 2.7	1,331,525,798	53,117,613,670
Interest income	2.3(b)	18,549,996	60,273
Total INCOME		1,350,075,794	53,117,673,943
2. OPERATING EXPENDITURE			
Supplies	2.4(a)	3,528,309,678	33,246,000,735
Lands, vehicles & equipments	2.4(b)	1,695,705,457	0
Transport and storage	2.4(c)	209,701,004	1,203,674,430
Personnel expenditure	2.4(d)	397,601,214	803,016,867
Information & Public Relations	2.4(e)	151,558,648	150,816,758
Travel		46,608,113	43,831,806
Professional Fees		11,748,175	3,140,564
Office costs		4,266,266	22,993,061
Communications		2,129,081	4,556,503
Other general expenditures		31,908,630	39,524,948
Depreciation	2.4(f)	1,428,685	0
Services support from the IFRC	2.4(g)	83,608,888	68,940,476
Total OPERATING EXPENDITURE		6,164,573,839	35,586,496,148
3. INCOME/(LOSS) FOR THE PERIOD		(4,814,498,045)	17,531,177,795
4. FUNDS HELD FOR OPERATIONS	2.5		
Brought forward		17,531,177,795	0
Income/(loss) for the period		(4,814,498,045)	17,531,177,795
FUNDS HELD FOR OPERATIONS		12,716,679,750	17,531,177,795

The Japanese Red Cross Society
for the Great East Japan Earthquake and Tsunami International Donation

Notes to the Statement of Income and Expenditure

For the period from 1 April 2012 to 31 March 2013

1. Background

The Great East Japan Earthquake and Tsunami (GEJET) left hundreds of thousand people displaced. Although they were accommodated in temporary houses in various locations, very few have been settled in the permanent housings after two years. The Japanese Red Cross Society (JRCS) has been supporting those who were affected by this disaster from the onset of emergency phase through recovery phase with the help of financial contributions made by sister Red Cross and Red Crescent Societies and other organizations.

The Plan of Action (PoA) and budget funded the international donations were approved at the first Partner National Societies (PNS) Meeting on 9 May 2011. The revised PoA and budget were presented at the Monitoring Meeting on 31 October 2011 and later approved at the second PNS Meeting on 18 May 2012. The budget of the programme stands at JPY 59.7 billion.

The JRCS relief and recovery programme consists of 10 areas : 1) distribution of emergency relief supplies, 2) emergency medical services and psychological support programme, 3) regional health care support, 4) assistance for nuclear power plant disaster victims, 5) rehabilitation of health infrastructure, 6) improving living conditions of affected people, 7) social welfare support, 8) children's education support, 9) community based disaster preparedness and 10) the capacity building of JRCS in the area of disaster management.

2. Significant accounting policies

2.1 Basis of accounting

The Statement of Income and Expenditure of the Japanese Red Cross Society for the Great East Japan Earthquake International Donation ("The Statement") is presented in Japanese Yen. The Statement is prepared in accordance with the Financial Rules for the Statement of Income and Expenditure of the Japanese Red Cross Society for the Great East Japan Earthquake International Donation, which are described below.

The Statement has been prepared to report and disclose income and expenditures resulting from the international donations made to the JRCS for earthquake and tsunami relief activities during the period from 1 April 2012 to 31 March 2013.

This Statement is not applicable for any other purposes nor is it intended to present the financial position, results of operations or cash flows of the JRCS.

Income reflects the total amount received from the remittances made by the Red Cross and Red Crescent movement and other organizations, and the interest revenue earned on such remittances. The international donations are exclusively allocated to the recovery support projects approved by the recovery task force, established within JRCS NHQ and led by the President of the JRCS.

The donations received from the State of Kuwait through the sale of crude oil and the donations made by the public allocated for the cash distribution scheme are not included in this Statement.

2.2 Foreign currency transactions

Foreign currency transactions are translated into Japanese Yen using rates which approximate the prevailing rate at the date of the transactions.

2.3 Income

a) Voluntary contributions

Unearmarked cash contributions are recognised as income when a confirmed written pledge has been received from the donor or when cash has been received from the donor (if there is no confirmed written pledge from the donor) unless: either the contributions are earmarked for a future accounting period, in which case they are booked as deferred income and taken to the Statement of Income and Expenditure in the period for which they were earmarked or; in the case of earmarked contributions made which are subject to a specific service contract, income is recognised as the contractual obligations are fulfilled and expenditure is incurred.

b) Interest income

Interest income is recognised as it is earned, in the period to which it relates.

2.4 Operating expenditure

Operating expenditures are recognised as incurred, in the period to which they relates.

a) Supplies

This category is used for supplies made to beneficiaries. Such supplies are not only made to direct beneficiaries, but may instead be made indirectly through other organisations to targeted people who benefit from Red Cross operations.

b) Lands, vehicles & equipments

This category is used for tangible assets used in the project, acquired for less than JPY 200,000, and tangible assets for JPY 200,000 or more, purchased from the project funds for immediate donation to third party or over which the project will not be in a position to exercise management control.

c) Transport and storage

Transport and storage includes all warehousing, distribution/monitoring and transport costs.

d) Personnel expenditure

Personnel expenditure principally includes the costs of outsourcing staff, consulting staff and temporary staff, and excludes staffing costs of the Japanese Red Cross Society.

e) Information & Public Relations

Information & Public Relations principally include publicity costs for newspaper advertising.

f) Depreciation

Tangible assets used in the project, acquired for JPY 200,000 or more and having an estimated useful life exceeding one year (except for “Lands ,Vehicles & equipment”) are capitalised and depreciated over their estimated useful lives on the straight-line method, as follow:

Vehicles	5 years
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g) Services support from the IFRC

Services support from the IFRC relates to disbursements made to the IFRC for services support activities.

2.5 Funds held for operations

The cumulative excess of income received over operating expenditure incurred is recorded as Funds held for operations. In the event that the funds cannot be spent, the Japanese Red Cross Society obtains agreement from the donor for a reallocation of those funds for a different use, or reimburses them to the donor. No amounts were reimbursed to donors during the period from 1 April 2012 to 31 March 2013.

2.6 Reclassification

Certain prior-year amounts have been reclassified to conform to the presentation of the period from 1 April 2012 to 31 March 2013.

2.7 Voluntary contributions

		Outstanding Pledges (Revalued)	Period from 1 April 2012 to 31 March 2013 TOTAL	Period from 16 March 2011 to 31 March 2012 TOTAL
	Donations			
Afghan Red Crescent Society	-	-	-	4,879,150
Albanian Red Cross	-	-	-	1,682,400
American Red Cross	139,826,179	-	139,826,179	22,911,136,000
Andorran Red Cross	-	-	-	29,058
Argentine Red Cross	-	-	-	4,382,045
Armenian Red Cross Society	-	-	-	102,874
Australian Red Cross	-	4,403,700	4,403,700	2,175,995,664
Austrian Red Cross	-	-	-	370,927,819
Austrian Red Cross (Austrian Gov't)	-	-	-	116,040,000
Red Crescent Society of Azerbaijan	-	-	-	13,453
Bahamas Red Cross Society	-	-	-	405,200
Bangladesh Red Crescent Society	-	-	-	8,681,211
Belarus Red Cross	-	-	-	3,481,200
Belgian Red Cross (Flanders)	-	-	-	72,927,814
Belgian Red Cross (French)	13,060,142	-	13,060,142	43,635,650
Belize Red Cross Society	-	-	-	779,896
Bolivian Red Cross	-	-	-	104,429
The Red Cross Society of Bosnia and Herzegovina	-	-	-	11,597,299
Brazilian Red Cross	-	-	-	13,234,664
British Red Cross	21,987	(213,054)	(191,067)	1,828,695,089
Bulgarian Red Cross	-	-	-	14,926,315
Burkinabe Red Cross Society	-	-	-	1,464,945
Cambodian Red Cross Society	-	-	-	1,584,772
The Canadian Red Cross Society	421,942,587	(40,350,000)	381,592,587	3,635,740,000
Chilean Red Cross	-	-	-	14,779,794
Red Cross Society of China	132,338	-	132,338	902,667,236
Red Cross Society of China Ezhou Branch	-	-	-	1,238,748
Red Cross Society of China, Hong Kong Branch	71,233,723	35,768,914	107,002,637	1,470,493,000
Red Cross Society of China, Macau Branch	-	-	-	44,305,000
Colombian Red Cross Society	-	-	-	1,277,721
Cook Islands Red Cross	175,098	-	175,098	
Costa Rican Red Cross	-	-	-	11,889,223
Croatian Red Cross	-	-	-	85,775,140
Cyprus Red Cross Society	-	-	-	5,618,812
Czech Red Cross	-	-	-	47,342,500
Danish Red Cross	18,888,250	-	18,888,250	34,474,000
Danish Red Cross (Faroe Islands Red Cross)	-	-	-	681,500
Dominican Red Cross	-	-	-	335,291
Ecuadorian Red Cross	-	-	-	2,590,860

			Period from 1 April 2012 to 31 March 2013	Period from 16 March 2011 to 31 March 2012
	Donations	Outstanding Pledges (Revalued)	TOTAL	TOTAL
Estonia Red Cross	-	-	-	3,302,936
Finnish Red Cross	-	-	-	119,570,000
French Red Cross	-	-	-	1,850,669,146
Red Cross Society of Georgia	-	-	-	4,031,550
German Red Cross	78,213,200	-	78,213,200	3,251,292,190
Honduran Red Cross	367,398	-	367,398	-
Hungarian Red Cross	-	-	-	6,688,594
Icelandic Red Cross	1,622,037	-	1,622,037	17,491,250
Indonesian Red Cross Society	-	-	-	79,118,244
Red Crescent Society of the Islamic Republic of Iran	-	-	-	7,653,000
Irish Red Cross Society	2,668,881	-	2,668,881	62,376,800
Italian Red Cross	26,936,611	21,690,956	48,627,567	340,400,295
Jamaica Red Cross	45,034	-	45,034	-
Red Cross Society of the Democratic People's Republic of Korea	-	-	-	8,090,000
The Republic of Korea National Red Cross	105,337	-	105,337	2,976,995,694
Lao Red Cross	-	-	-	636,563
Latvian Red Cross	-	-	-	18,391,430
Lithuanian Red Cross Society	12,205,182	-	12,205,182	-
Luxembourg Red Cross	-	-	-	23,705,000
The Red Cross of The Former Yugoslav Republic of Macedonia	-	-	-	1,529,982
Malaysian Red Crescent Society	1,144,195	-	1,144,195	169,976,541
Maldivian Red Crescent	-	-	-	2,718,135
Mexican Red Cross	-	-	-	72,535,786
Micronesia Red Cross	-	-	-	8,223,912
Red Cross of Monaco	-	-	-	5,156,582
Mongolian Red Cross Society	-	-	-	12,301,960
Red Cross of Montenegro	-	-	-	956,661
Myanmar Red Cross Society	-	-	-	4,309,161
Nepal Red Cross Society	-	-	-	3,580,216
The Netherlands Red Cross	7,626,902	-	7,626,902	745,298,645
New Zealand Red Cross	4,275,163	-	4,275,163	46,981,930
Nicaraguan Red Cross	-	-	-	200,527
Norwegian Red Cross	-	-	-	161,780,204
Pakistan Red Crescent Society	-	-	-	8,340,626
Palau Red Cross Society	-	-	-	2,428,894
The Palestine Red Crescent Society	-	-	-	840,563
Red Cross Society of Panama	-	-	-	1,092,949
Peruvian Red Cross	-	-	-	2,519,291
Philippine Red Cross	-	-	-	167,000,000
Polish Red Cross	-	-	-	12,420
Portuguese Red Cross	-	-	-	6,169,630
Qatar Red Crescent Society	-	-	-	67,526,838

			Period from 1 April 2012 to 31 March 2013	Period from 16 March 2011 to 31 March 2012
	Donations	Outstanding Pledges (Revalued)	TOTAL	TOTAL
Romanian Red Cross	-	-	-	11,443,454
The Russian Red Cross Society	-	-	-	163,836,124
Rwandan Red Cross	-	-	-	8,183,902
Salvadorean Red Cross Society	-	-	-	3,258,180
Samoa Red Cross Society	-	-	-	1,752,769
Red Cross of the Republic of San Marino	-	-	-	1,017,100
The Red Cross of Serbia	-	-	-	191,253,450
Singapore Red Cross Society	615,385	62,059,584	62,674,969	589,973,416
Slovak Red Cross	-	-	-	2,872,219
Slovenian Red Cross	-	-	-	19,304,221
South African Red Cross Society	-	-	-	10,829,000
Spanish Red Cross	-	-	-	404,746,365
The Sri Lanka Red Cross Society	-	-	-	395,169
Swedish Red Cross	-	-	-	51,600,000
Swiss Red Cross	-	19,437,548	19,437,548	1,979,773,124
Taiwan Red Cross Organization	0	260,659,000	260,659,000	1,686,484,000
The Thai Red Cross Society	-	-	-	748,362,342
Tonga Red Cross Society	-	-	-	11,534,778
Trinidad and Tobago Red Cross Society	-	-	-	5,999,459
Uganda Red Cross Society	-	-	-	108,047
Ukrainian Red Cross Society	-	-	-	7,100,000
Red Crescent Society of the United Arab Emirates	-	-	-	15,968,619
Uruguayan Red Cross	-	-	-	1,872,938
Vanuatu Red Cross Society	-	-	-	297,234
Vietnam Red Cross Society	-	-	-	608,584,747
Alwaleed Bin Talal Foundation	-	-	-	8,376,000
Embassy of Belgium	4,637,900	-	4,637,900	4,469,800
European Commission - DG ECHO	-	-	-	943,464,578
Irish Aid, Ireland	-	-	-	121,450,000
Japan-America Society of Hawaii	-	-	-	237,317,787
New Zealand Ministry of Finance and Trade	-	-	-	60,730,000
State of Kuwait	157,420,000	-	157,420,000	-
Stavros Niarchos Foundation	-	-	-	20,212,500
IFRC	-	-	-	4,902,319
IFRC at the UN Inc.	-	(54,985)	(54,985)	232,987,723
Individuals, corporations and other organisations	4,960,606	-	4,960,606	849,342,389
	<u>968,124,135</u>	<u>363,401,663</u>	<u>1,331,525,798</u>	<u>53,117,613,670</u>

The Outstanding Pledges (Revalued) column shows movements in outstanding pledges between 1 April 2012 and 31 March 2013, together with the revaluation of outstanding foreign currency pledges as at 31 March 2013.

- (*) Donations that were earmarked for a future accounting period, which will be recognised in the period for which they are earmarked (see Note 2.3 (a)), are listed below:

	Period from 1 April 2012 to 31 March 2013 Cash	as of 31 March 2013 Deferred	Period from 1 April 2012 to 31 March 2013 Net
Taiwan Red Cross Organization	600,500,000	600,500,000	0
	as of 1 April 2012 Deferred	as of 31 March 2013 Deferred	Period from 1 April 2012 to 31 March 2013 Net
Red Cross Society of China, Hong Kong Branch	127,341,431	91,572,517	35,768,914
Singapore Red Cross Society	62,059,584	-	-
Swiss Red Cross	19,437,548	-	19,437,548
Taiwan Red Cross Organization	4,487,500,000	4,226,841,000	260,659,000
	Period from 1 April 2012 to 31 March 2013 Outstanding Pledges	as of 31 March 2013 Deferred	Period from 1 April 2012 to 31 March 2013 Net
Australian Red Cross	4,403,700	-	4,403,700
Taiwan Red Cross Organization	189,418,167	189,418,167	0